



December 23, 2010

Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Ave, NW
Washington, DC 20551

RE: Docket No. R- 1390, Regulation Z; Truth in Lending

Dear Ms. Johnson,

I am writing in regards to a number of concerns I have with the proposed changes to credit insurance disclosures under Reg Z and the Truth-in-Lending Act. As a financial services professional of 25 plus years, I feel it is important that I convey my opinion regarding the proposed changes. I can only see a detrimental impact on our credit union members if these changes are put in effect.

Over the years, I have seen the enactment of accurate and fair disclosure regulations with Truth-in-Lending and Truth-in-Savings. These are important consumer protection requirements that the credit union movement has always supported. The basic concept behind these laws is to allow consumers to compare "apples to apples" when researching interest rates. However, the present proposed changes to Truth-in-Lending will attack one of the most consumer driven benefits of credit union/consumer lending – that of low-cost credit insurance.

To begin with, the proposed language for credit insurance disclosures places a negative connotation on the insurance product. I do not understand how this additional disclosure requirement and the verbiage proposed is necessary. In my years in the credit union industry, I have seen first-hand the relief on next-of-kin faces when they are told their deceased loved one was fully protected by credit insurance. They no longer had to consider who was going to take up the automobile loan payments or what to do with the outstanding credit card balance. The premiums for credit insurance are minimal when comparing the value of coverage to other types of insurance. Also, in the credit union insurance programs I have been associated with, the premium amount decreases

over the life of the loan. This does not appear to be a feature that is pointed out in the proposed disclosure and is, in fact, open to misinterpretation. Finally, in many cases, consumers/members who buy insurance protection through credit insurance at their credit union cannot purchase insurance any other way. If the proposed disclosure is made final, I feel the end result will be less consumers/members being covered, more households in financial trouble, and less consumers/members taking advantage of one of the oldest and best consumer protection products available to the average person.

In closing, please consider the points I have made in this letter. I raise these points and respond to this issue on behalf of the 13,600 members of River City Federal Credit Union in San Antonio, Texas. Your time and attention to this matter are appreciated.

Sincerely,

A handwritten signature in black ink that reads "Kim L. Heinze". The signature is written in a cursive, flowing style.

Kim L. Heinze

River City Federal Credit Union